

Department of Defense Business Initiative Council (BIC) Charter

Introduction and Background

On July 3, 2001 the Under Secretary of Defense (Acquisition, Technology, and Logistics) issued a memorandum formally announcing the formation of the Business Initiative Council (BIC), which reports directly to the Senior Executive Council. The BIC's mission is: To improve the efficiency of Department of Defense (DOD) business operations by identifying and implementing business initiatives that create savings to be reallocated to higher priority efforts (i.e., people, readiness, modernization, and transformation). When a DOD component implements an initiative, and thereby generates savings, it will retain both the savings and the ability to reallocate their use. The Under Secretary has set this initiative as a top DOD priority. The Joint Staff and the Secretaries of the Military Departments have joined him and pledged their commitment to provide steadfast leadership to improve DOD's business practices. This BIC Charter defines the task, approach, structure, and deliverables required in the execution of the overall BIC effort.

Task and Approach

The BIC effort will include an assessment of the overall effect of the proposed changes to ensure that DOD can effectively integrate their cumulative impact. The BIC will draw heavily upon past studies and the expertise of the DOD workforce. The BIC focused initially on near-term actions (including a review of on-going initiatives) that positively influenced the FY03 budget. The longer-term effort will define the full scope of subsequent BIC activity in a manner that encourages and values creativity and innovation from all levels of the workforce.

The BIC effort will focus on the following objectives:

- Modernizing DOD's business practices to improve programs and combat capability;
- Reducing cycle times and improving program stability;
- Implementing both near-term opportunities (where regulations, legislation and resources are not barriers) and longer-range opportunities;
- Optimizing the opportunities already identified in on-going and completed studies, panels, and reviews to reform DOD-wide and service-unique processes;
- Partnering with industry to implement best practices, apply advanced technologies, and jointly explore new ways of doing business; and
- Considering the voice of the warfighter while implementing individual actions.

This initiative will be an executive-led project, utilizing a phased approach, with participation from the Military Departments, the Joint Staff, DOD, and Defense Agencies. DOD leaders will present in-progress reviews and decision briefs to the BIC during each phase and will recommend the necessary decisions to implement business initiatives.

Lead responsibility for each phase of the effort will rotate among the Military Departments every six months, with Navy leading the first phase, followed by Air Force, Army, and rotating again through subsequent phases. The lead military department will be responsible for maintaining the momentum of the BIC effort during its assigned phase. This will not alter or affect the functional responsibilities of the organizations represented within the BIC structure. The intent is to ensure that all military departments share in leading the BIC effort and provide a climate for the exchange of good ideas and application of functional expertise and leadership to make this effort a success. To ensure continuity, the department lead "on deck" for the subsequent phase will serve as the deputy lead during the current phase. (For example, for Phase I, Navy had lead responsibility, and Air Force served as deputy).

The four phases of the BIC effort are described below.

- **Phase I (Jul - Sep 01): Scoping the Business Initiative.** This was a two-fold effort to:
(1) Research and identify near-term "quick-hits," and make recommendations for immediate implementation (including development of or changes to requisite policies, directives, and budget decisions); and (2) recommend longer-term business initiatives for further analysis/action. Navy led with Air Force as deputy lead.
- **Phase II (Oct 01 - Mar 02): Exploration of Long-Term Initiatives.** The BIC began implementation of opportunities from Phase I. The BIC identified and investigated barriers preventing full implementation, proposed solutions, and developed action plans for implementation, including identification of long-term functional and process custodians within the Department, and actions to address resource implications of initiatives. The BIC defined a set of metrics to use to measure the effectiveness of initiatives (including feedback from the warfighter, and achievement of projected savings) during the execution phase. Air Force led with Army as deputy lead.
- **Phase III (Apr - Sep 02): Implementation of Long-Term Opportunities.** Process and functional champions will begin implementation of long-term opportunities. Implementation will include leadership support in the pursuit of regulatory and statutory relief and congressional support for improved business practices, and programming and budget actions needed to execute selected opportunities. Army leads Phase III with the Department of the Navy as deputy lead.

Phase IV and beyond: Continuation of Reform Implementation: Continue and add to tasks described in Phase III. BIC lead duties will continue to rotate among the

Military departments every six months until the BIC is given a sunset clause, as directed by the Senior Executive Council.

While the effort is broken into specific phases, the intent is to commence immediate implementation of BIC-approved initiatives whenever that occurs throughout the overall BIC effort. At the conclusion of each phase, the timing and activities of the following phase will be examined and re-baselined, as may be appropriate.

Structure

Attachment (1) to this charter depicts the overall organizational structure supporting the DOD BIC. It consists of the following elements:

Business Initiative Council (BIC): The BIC will serve as the corporate board of directors for this initiative. As such, it will establish overall DOD business objectives and strategic direction, champion the implementation of this initiative across DOD, and hold the participating organizations responsible and accountable for results and outcomes. It will be comprised of the following principals:

- Under Secretary of Defense for Acquisition, Technology, and Logistics (USD (AT&L)) as chairman
- Secretary of the Navy
- Secretary of the Air Force
- Secretary of the Army
- Vice Chairman of the Joint Chiefs of Staff
- Under Secretary of Defense for Personnel & Readiness (USD (P&R))
- Under Secretary of Defense (Comptroller) and Chief Financial Officer (USD (C) and CFO)

Business Initiative Executive Steering Committee (ESC): The ESC will develop project guidelines, plans, and direction, and ensure that individual efforts are integrated within a total systems approach. Additionally, the ESC will consider the voice of the warfighter throughout the implementation of BIC initiatives. The ESC members will establish a process to monitor the status of all implementation plans for which their Service/organization is the champion, and will engage when implementation problems arise. The ESC membership will be comprised of selected three-star flag officers from the Military Services and Joint Staff and principals from OUSD (AT&L), OUSD (P&R), and OUSD (C). Members will be designated by the BIC principals for their agency. The members of the ESC will be assisted by Executive Directors (EDs), who will represent them in deliberations that may occur, prior to decision-making by the ESC.

Business Initiative Executive Directors (EDs): The Executive Directors will ensure that individual reforms are examined and developed by the BIC process functional boards and will ensure the timely execution of the implementation plans, for which they have champion responsibilities. The ED membership will include representatives from the Military Departments, OSD, and Joint Staff.

Joint Integration and Support Team (JIST): The BIC, ESC, and EDs will draw support from the JIST for the necessary analysis, coordination, facilitation, and support needed for the project. This team will be comprised of supporting staff from the BIC lead. Additionally, the Services, OSD and Joint Staff will assist the JIST in research and analysis of identified and potential opportunities. Finally, a Cost Estimating Team (chaired by a representative from the BIC lead) will review cost estimates for proposed initiatives to ensure these estimates are created in accordance with good business practices. Each PFB will have an assigned cost estimator.

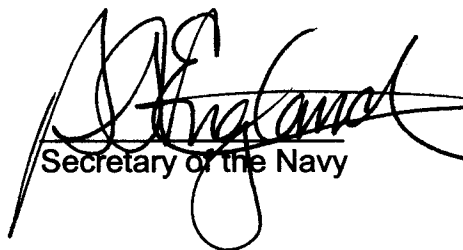
Process Functional Boards (PFBs): Seven process functional boards will function within the guidelines established by the BIC EDs. The PFBs will: (1) identify and recommend comprehensive near and long-term process opportunities that are actionable and measurable; (2) highlight regulatory and legislative barriers and enablers; and (3) develop implementation plans for approved initiatives that include the identification of champion organizations to lead initiatives, resource requirements, integration efforts with other activities, and deployment enablers (policies, instructions, directives, tools, and communication and training of the workforce). EDs may add other boards as required. The PFBs will be comprised of process and functional executives and long-term stakeholders, and are listed below (board memberships are identified in Attachment (2) to this charter):

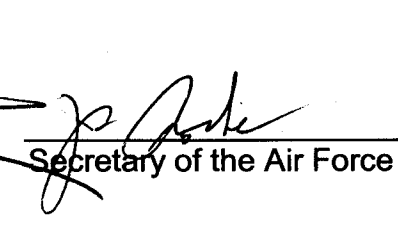
- Acquisition Management
- Installations and Logistics
- Resource Management
- Information Technology
- Research and Engineering
- Test and Evaluation
- Manpower and Personnel
- Core Competency

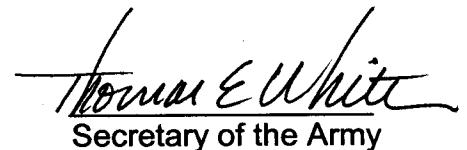
Deliverables

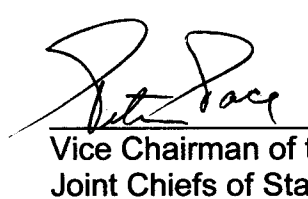
- Recommendations of near-term and long-term opportunities, including --
 - determination of the best method to implement actions in light of required workload (e.g. outsource, in-house efforts, single staff action, and so on),
 - assessments of barriers and enablers and techniques to manage them,
 - estimates of the resources required for implementation, and
 - a comprehensive set of metrics to assess the effectiveness of initiatives.
- Implementation plans for BIC-approved initiatives.
- In-progress reviews to the BIC during each phase.
- Execution of BIC-approved initiatives led by champion organizations.

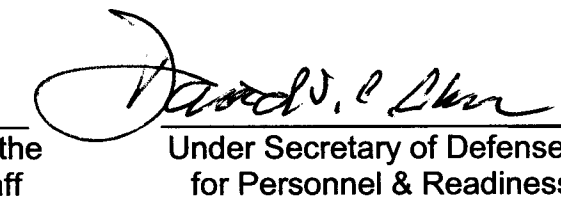
The tasking described in this DOD Business Initiative Council Charter will begin upon the joint signature of the Secretaries of the Military Departments, the Vice Chairman of the Joint Chiefs of Staff, the Under Secretary of Defense for Personnel & Readiness, and the Under Secretary of Defense (Comptroller) and Chief Financial Officer and the approval of the Under Secretary of Defense for Acquisition, Technology, and Logistics. This project will be conducted in accordance with the phased approach and schedule outlined above, and the charter will remain in effect until the overall effort is deemed complete by the BIC principals. In executing the tasking described in this charter, the BIC, ESC, EDs, and JIST have the authority to contact other members of OSD, the Joint Staff, and the Military Departments to acquire information useful to the outcome of this project.

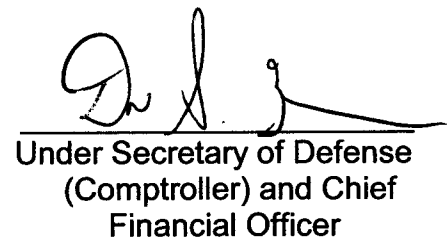

Secretary of the Navy


Secretary of the Air Force



Secretary of the Army


Vice Chairman of the
Joint Chiefs of Staff

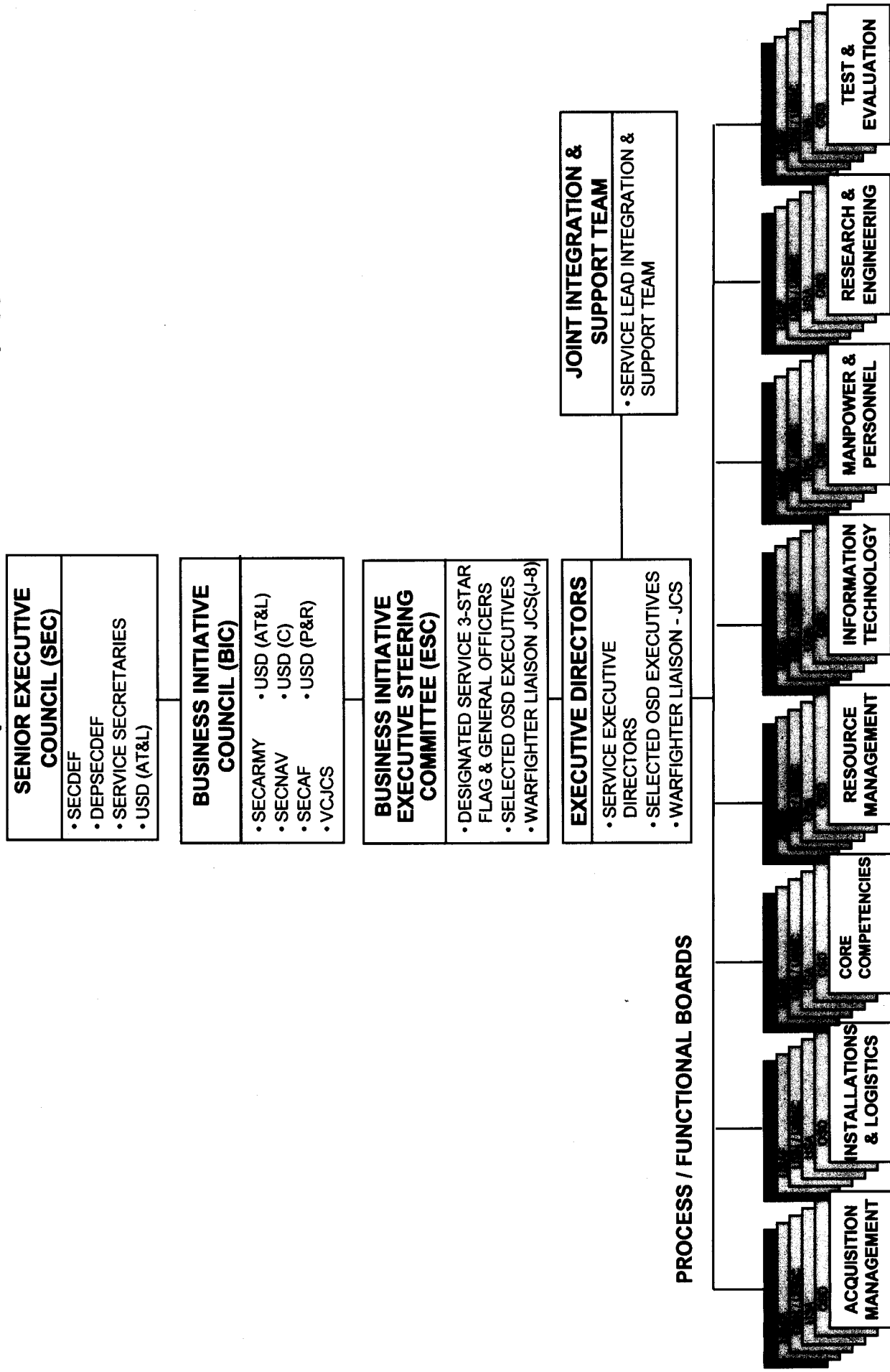

Under Secretary of Defense
for Personnel & Readiness


Under Secretary of Defense
(Comptroller) and Chief
Financial Officer


Approval date


Under Secretary of Defense for
Acquisition, Technology, & Logistics

DOD BUSINESS INITIATIVE STRUCTURE / PARTICIPANTS (ATTACHMENT (1))



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(ATTACHMENT (2))

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